

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

BEATTYVILLE HOUSING AUTHORITY

VIOLATION OF COMMISSION REGULATIONS
807 KAR CHAPTER 5

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) CASE NO. 96-315
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O R D E R

On July 10, 1996, the Commission opened an investigation of Beattyville Housing Authority ("Beattyville HA") as a result of a comprehensive inspection undertaken by Commission Staff. Beattyville HA operates a master meter system and is subject to the safety jurisdiction of this Commission pursuant to KRS 278.040 and KRS 278.495. On August 13, 1996, Beattyville HA and the Commission entered into a Settlement Agreement whereby Beattyville HA agreed to correct certain violations as set out in the settlement. On September 6, 1996, Beattyville HA reported its corrective actions to the Commission. Staff found that all but four violations had been corrected. On February 6, 1997, Commission Staff and the State Fire Marshal met with Beattyville HA to evaluate the progress made by Beattyville HA in correcting the deficiencies cited in the September 1996 inspection. It was found that corroded regulators on the storage tank had not been replaced or modified and overpressure protection had not been provided. An additional problem was discovered at this meeting: severe corrosion on the fill line to the propane storage tank. Beattyville HA

was informed that the corroded fill line was to be replaced prior to any filling of the tank. Beattyville HA personnel reported that funds had been appropriated by the U.S. Department of Housing and Urban Development for upgrading the system; however, as of February 8, 1997, no funds had been received. Beattyville HA continued to seek HUD funds and also pursued with Delta Natural Gas Company a plan for converting the propane system to a new natural gas system. Gas Safety personnel continued to ascertain the system was in an acceptable condition while Beattyville HA sought funds for system improvement and conversion to natural gas. On May 28, 1998, Gas Safety Staff conducted a follow-up comprehensive inspection of Beattyville HA and found the system in an unserviceable condition. On June 4, 1998, Commission Staff met with Beattyville HA and acceded to an immediate correction of the problems. On June 24, 1998, a follow-up inspection of Beattyville HA was performed and the problems of no overpressure protection and corroded pressure regulators at the propane storage tank had been abated. On August 14, 1998, Commission Staff confirmed that the problem of corrosion on the fill line had been abated by the installation of a new valve and pipe to fill the tank.

Based upon the Settlement Agreement and the inspections and recommendations by Staff, the Commission finds that the violations have been cured by corrective action, and the Beattyville HA is now in compliance with the Settlement Agreement filed herein and other applicable regulations.

IT IS THEREFORE ORDERED that:

1. This case is dismissed as Beattyville HA is now in compliance with the Settlement Agreement and with the Commission regulations.

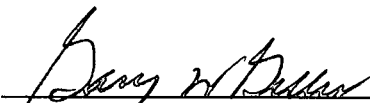
2. The case is to be removed from the docket.

Done at Frankfort, Kentucky, this 1st day of December, 1998.

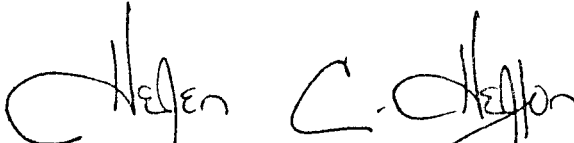
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director